



# Brownfields Cleanup Revolving Loan Fund Pilot

## *Wayne County, MI*

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

**EPA's** Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

## BACKGROUND

Wayne County, Michigan is characterized by an economy dominated by the vehicle manufacturing industry. It is the center of the industrial heartland of the United States, with approximately 46.5 square miles used for manufacturing. As a result, when this industry suffers, Wayne County's economy suffers. Past depressions in this industry, and the scaling back of manufacturing in general, have contributed to approximately 2,000 documented brownfields in the County. Closed plants and contaminated property, along with illegal dumps and closed landfills, dot the older urban communities of the County. Approximately twenty-five percent of all Wayne County residents live in poverty. For children under 18, the poverty rate jumps to 41.5 percent.

## BCRLF OBJECTIVES

The BCRLF pilot will target all of Wayne County, with a focus on the following distressed communities: Hamtramck, Highland Park, Ecorse, River Rouge, Inkster, and Melvindale. The pilot anticipates that the BCRLF will spur the revitalization of vacant or underutilized properties. It is expected that this will help create new jobs and increase the tax base in some of the County's most distressed communities. Potential

## PILOT SNAPSHOT



*Wayne County, Michigan*

**Date of Announcement:**  
May 25, 1999

**Amount:** \$500,000

**BCRLF Target Area:**  
All of Wayne County, with a focus on six suburbs surrounding the City of Detroit

### Contacts:

Director, Wayne County  
Planning Division  
(313) 224-5025

Region 5 Brownfields  
Office  
(312) 886-7576

Visit the EPA Region 5 Brownfields web site at:  
**[www.epa.gov/R5Brownfields/](http://www.epa.gov/R5Brownfields/)**

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:  
**<http://www.epa.gov/brownfields/>**

borrowers include a mix of public and private entities, including local businesses, community-based organizations, cities/townships, and community development corporations. By providing loans to private businesses, the BCRLF will complement other brownfields funds available only to the public sector.

## **FUND STRUCTURE AND OPERATIONS**

The Wayne County Brownfields Redevelopment Authority will serve as lead agency and the County's Planning Division will serve as site manager. The Metropolitan Growth & Development Corporation (MGDC) will serve as the fund manager. Through MGDC, the County has originated over 70 loans, resulting in a proven track record, a broad base of community support, and the necessary institutional structure for the BCRLF program. Loans will range in size from \$50,000 to \$300,000, with an initial interest rate of 6 percent that may be reduced to 3 to 4 percent to be competitive with non-brownfields redevelopment loans.

## **LEVERAGING**

An additional \$458,000 of public and private investment has been leveraged. Other sources of funds available to brownfields sites in the County that will complement the BCRLF include: Tax increment financing; MGDC financing programs, including the Urban Loan Fund and Small Business Administration revolving loan funds; Michigan Department of Environmental Quality (MDEQ) site reclamation grant and loan programs; MDEQ State Revolving Fund for water pollution control projects; the Clean Michigan Initiative for brownfields cleanup; and a ten percent tax credit to private corporations for investment in brownfields projects.

---

*Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*

---